

1 what I described to you: An affirmative key
2 stroke, which we referred to for simplicity's sake
3 as a button--think of it as a computer screen
4 prompt--must be done by that sales representative
5 in order for that data to be displayed to their
6 screen.

7 MR. OATES: Okay. Is it true,
8 Ms. Lichtenberg, if an employee were so inclined,
9 they could make that affirmative key stroke without
10 the third-party verification having been done?

11 MS. LICHTENBERG: This is not related to
12 third-party verification. I want to be very clear
13 of that. That's why I separated them.

14 Third-party verification is an FCC ruling
15 and a process for customers who decide to migrate
16 their service either to a local carrier,
17 competitive local carrier, or to another
18 long-distance carrier.

19 When we talk about CPNI, we talk about
20 another FCC issue that has to do with what portion
21 of the customer service record is deemed
22 customer-proprietary. So, on a third-party

1 verification, the customer has already made the
2 decision to come to MCI WorldCom. They have
3 affirmatively said, "Yes, I want your service." It
4 is not CPNI once the customer has said, "Yes, I
5 want you."

6 MR. OATES: Let me ask you, if you would,
7 to turn to page five of your direct testimony that
8 was filed on July 31 regarding issues I-8 and I-11.
9 And that's WorldCom Exhibit 7.

10 MS. LICHTENBERG: I assume I'm looking at
11 the right document.

12 MR. OATES: I'm sorry, WorldCom 2.

13 MS. LICHTENBERG: Let's hope that the
14 printout I have is right, so if you could guide me
15 to it.

16 MR. OATES: On the version I have, it's
17 page five. The question I'm interested in starts
18 on line number two: "If monitoring is
19 unacceptable, how can Verizon make sure that
20 WorldCom is using CPNI properly?"

21 MS. LICHTENBERG: I don't have that copy,
22 if someone could provide it to me.

1 MR. OATES: I will read it to you, and I
2 will give it to you.

3 Again, the question--and this is your
4 direct question--"If monitoring is unacceptable,
5 how can Verizon make sure WorldCom is using CPNI
6 properly?" And it says, "First, WorldCom's
7 internal procedures ensure that CPNI is not
8 improperly accessed. The computer system requires
9 that a button be pressed to check a box, indicating
10 that consent was obtained and verified. The
11 information cannot be accessed if that box has not
12 been checked."

13 That's the process I'm interested in.

14 MS. LICHTENBERG: Yes, and that is CPNI.
15 That is not third-party verification, just to be
16 clear.

17 MR. OATES: How is the consent obtained,
18 and how is it verified as referred to in that
19 paragraph?

20 MS. LICHTENBERG: What we are talking
21 about, just to be really simple, is the FCC, under
22 the CPNI rulings, proposed specific language that

1 you ask a question of a customer of "May I have
2 permission to view your records?" That's exactly
3 the same question, by the way, that is asked by
4 Verizon if you were to call in to add a feature or
5 make a change.

6 Once the customer says yes, our sales
7 representative must make an affirmative key stroke,
8 which we referred to here as pushing a button.
9 It's again, as I said, a computer transaction.
10 They are sitting at a computer monitor.

11 Once that happens, the CPNI--the CSR that
12 contains the CPNI information is retrieved and
13 brought to the desktop, the computer monitor the
14 sales representative is working on.

15 MR. OATES: And if the sales
16 representative were so inclined, could they not
17 make that affirmative key stroke without having
18 obtained the customer's assent?

19 MS. LICHTENBERG: I suppose that is the
20 case. We do monitoring of our customers--I'm
21 sorry, of our customer service personnel, to ensure
22 that that does not happen, but it is conceivable.

1 MR. OATES: Okay. How is the consent
2 verified? Your testimony said the consent is
3 obtained and verified. Is there any verification
4 process in the example that you just gave me?

5 MS. LICHTENBERG: The question is asked of
6 the customer just as it is asked by Verizon. There
7 is no additional verification that the customer
8 allowed consent to see his CSR.

9 Once the customer comes to a CLEC, that
10 CPNI information is no longer treated as CPNI
11 because it's now part of the requirements for
12 provisioning of service, but every single customer
13 that MCI sells to has third-party verification that
14 they did make the decision to come to MCI for their
15 carrier.

16 MR. OATES: Continuing with your testimony
17 on that particular point, Ms. Lichtenberg, you
18 suggest that any additional protection Verizon may
19 need with regard to the handling of CPNI could be
20 done through conducting an audit; is that right?

21 MS. LICHTENBERG: Yes, absolutely.

22 MR. OATES: Do you know how often the

1 Interconnection Agreement, in general terms.
2 provides for audits to be conducted between the
3 parties?

4 MS. LICHTENBERG: No, I'm not familiar
5 with the length of time.

6 MR. OATES: Do you know how long it would
7 take to do an OSS audit?

8 MS. LICHTENBERG: If we were to be
9 auditing CPNI or all usage, I would need some more
10 specificity.

11 MR. OATES: Have you ever been engaged in
12 an audit of CPNI or OSS usage?

13 MS. LICHTENBERG: No, we have never been
14 asked to audit CPNI or OSS usage.

15 MR. OATES: Perhaps you're not the proper
16 witness to answer this question, but if you know,
17 in general terms would WorldCom not expect some
18 notice prior to the conduct of an audit by Verizon
19 of OSS usage or CPNI usage?

20 MS. LICHTENBERG: I assume it's covered in
21 the contract, but I can't speak to it.

22 MR. OATES: Again, if you know, would it

1 be your expectation that an audit would take some
2 time to notify the parties and then complete it?

3 MS. LICHTENBERG: I don't know the terms
4 under which an audit would be conducted.

5 MR. OATES: I have no more questions on
6 issue I-8. Thank you, Ms. Lichtenberg.

7 MR. HARRINGTON: That means you have no
8 questions for Dr. Collins on it?

9 MR. OATES: That's correct.

10 QUESTIONS FROM STAFF

11 MS. CARPINO: Ms. Lichtenberg, I have one
12 question for you on I-8.

13 I believe counsel for Verizon asked you
14 whether, to your knowledge, Verizon currently
15 monitors OSS, and I will use that term generically
16 as well, and you responded that it wasn't clear
17 from the Verizon testimony whether that is, in
18 fact, the case; is that correct?

19 MS. LICHTENBERG: Yes.

20 MR. OATES: The question was whether she
21 was aware of the Verizon monitors EDI interface
22 part of the OSS.

1 MS. CARPINO: All right. You stated it
2 was not clear, based upon the testimony?

3 MS. LICHTENBERG: It was not clear, based
4 upon this testimony. I do know that we have
5 been--when our usage has gone up, we have often
6 been asked if there were some reason for that, but
7 I think that's just so that Verizon can make sure
8 that it has the proper resources to handle things.

9 MS. CARPINO: So, to your knowledge,
10 WorldCom has never entered into an agreement with
11 Verizon that would allow them to monitor your
12 usage?

13 MS. LICHTENBERG: That is correct.

14 MS. CARPINO: Thank you. That's all I
15 have.

16 MR. KOERNER: I have a couple of questions
17 on issue I-11 for any of the parties.

18 Are any of you aware of issue I-11 coming
19 up in other states? Dr. Collins or
20 Ms. Lichtenberg?

21 DR. COLLINS: Outside of the filing of
22 Interconnection Agreements, I'm not aware of any

1 particular attention paid to that issue by state
2 commissions.

3 MR. KOERNER: Has it come up in the
4 context of other Interconnection Agreements?

5 DR. COLLINS: Only to the extent that
6 provisions provide it in general, not specifically
7 related to OSS, but the general provisions are
8 included in ICAs which then get approved by state
9 commissions.

10 MR. KOERNER: I'm speaking to issue I-11
11 regarding termination of OSS.

12 DR. COLLINS: Once again, please?

13 MR. KOERNER: The issue I-11 regarding
14 termination of OSS.

15 DR. COLLINS: Yes.

16 MR. KOERNER: Has that issue come up, is
17 my question?

18 DR. COLLINS: No, not termination per se
19 with respect to a section of the Interconnection
20 Agreements that address termination of OSS, but
21 there are termination clauses in the ICAs which
22 apply to any breach of performance, which then

1 could be applied to OSS. It is those terms in the
2 ICA, at least in Cox's experience and my experience
3 inside and outside of Cox, it is those agreements
4 that get reviewed by the state commissions, but I'm
5 not aware of any particular case where OSS has been
6 treated as a separate and distinct issue related to
7 audits and termination.

8 MR. KOERNER: Thank you.

9 MS. LICHTENBERG: From WorldCom's
10 perspective, and I participated in arbitrations in
11 other jurisdictions outside of Verizon, we--I do
12 not remember any clauses that state that some sort
13 of undefined misuse of OSS could result in shutting
14 off access to OSS. There is no specific issue that
15 I'm familiar with like this in other agreements.

16 MR. ANTONIOU: On Verizon's behalf I could
17 speak to the contracts that we have negotiated in
18 the former Bell Atlantic territory, and I know this
19 was a standard provision. And numerous contracts
20 were, in fact, submitted, signed by both parties
21 that were approved by various Commissions. I don't
22 recall anybody in the contracts I negotiated that

1 raised this as an issue, although that's possible.
2 I know that we didn't arbitrate this to the extent
3 anybody may have raised it as an issue, at least
4 the ones I was involved in. I have no knowledge of
5 anybody else having had it as an issue in the
6 arbitration.

7 MR. KOERNER: Thank you.

8 Also, has any party used the Web GUI with
9 an electronic interface in the manner that the
10 Verizon's attorney was referring to?

11 DR. COLLINS: Cox does not use robots.

12 MS. LICHTENBERG: MCI WorldCom does not
13 use robots. We don't know who did or when.

14 MR. OATES: From Verizon's perspective,
15 our witness will be able to answer that question by
16 telephone.

17 MR. KIRCHBERGER: AT&T, to the best of my
18 knowledge, does not use robots with Web GUI.

19 MR. KOERNER: Also, to the attorneys, will
20 these witnesses be available later this afternoon
21 when Verizon's witness is testifying by phone?

22 MS. MERIWEATHER: Yes, for WorldCom, yes.

1 MR. KOERNER: Great. That's all I have.

2 MR. HARRINGTON: We were hoping the answer
3 would be no, that he wouldn't need to be. He's got
4 his third plane reservation.

5 MR. KOERNER: Okay. That's all I have.

6 (Ms. Lichtenberg leaves the table.)

7 MR. LOUX: Would you prefer to move to the
8 pricing issues next, or do you not have a
9 preference?

10 MR. DYGERT: My understanding was that we
11 were--

12 MR. LOUX: I meant subpanel one of the
13 pricing issues, and that would be III-18 and the
14 number four issues. I suggest that only because I
15 may be the only one that has a very short line of
16 cross on III-18, but I don't know what WorldCom has
17 on VI.

18 MS. KELLEY: We waived on all the V
19 issues.

20 MR. LOUX: Sorry.

21 MR. DYGERT: My understanding was there
22 was no cross on the subpanel one issue, but I

1 gather you have some brief--

2 MR. LOUX: I will try to make it very
3 brief. I want to make sure that for purposes of
4 the record we understand where at least AT&T and
5 Verizon are on that issue.

6 MR. DYGERT: All right.

7 CROSS-EXAMINATION

8 MR. LOUX: Good afternoon, gentlemen.

9 I think we are very close on this issue,
10 at least with respect to terms and conditions, and
11 I think we are also fairly close on the issue of
12 the application of rates and the interplay of the
13 tariff in the contract, but I want to explore one
14 precise point.

15 At the end of this proceeding the
16 Commission will order rates, and those rates will
17 apply regardless of whether you file a tariff, a
18 compliance tariff, or append those rates to
19 Interconnection Agreements of the petitioners and
20 other CLECs; isn't that right?

21 MR. DALY: That's correct.

22 MR. LOUX: You do not currently file a UNE

1 tariff in Virginia; is that correct?

2 MR. ANTONIOU: Could you repeat that?

3 MR. LOUX: You have chosen today not to
4 file a tariff in Virginia for the offering of
5 unbundled network elements; isn't that true?

6 MR. DALY: It's correct to say that as of
7 today we have no UNE tariff in Virginia.

8 MR. LOUX: And if you were to choose next
9 year to file unbundled network elements tariff in
10 Virginia and to include in that tariff terms and
11 conditions that were inconsistent with our
12 contract, our contract terms would prevail, would
13 they not?

14 MR. ANTONIOU: When you say "terms and
15 conditions," you're not referring to rates?

16 MR. LOUX: That's right.

17 MR. ANTONIOU: We agree with you.

18 MR. LOUX: And if as part of that process
19 you were to file the rates that were ordered at the
20 conclusion of this proceeding, except for perhaps
21 one rate--let's choose switching--and propose in
22 that proceeding to change the switching rate, which

1 rate would apply to the petitioners? The switching
2 rate that you propose in your tariff or the one in
3 our contract?

4 MR. ANTONIOU: If we could just walk
5 through to make sure we understand your question.

6 There would be a switching rate at the end
7 of this proceeding on the contract, and then there
8 would be a tariff filing in a year or so from now
9 at the conclusion of which there would be some
10 other effective rate based on that tariff, a rate
11 that goes into effect, either proved or otherwise,
12 and your question is what do we think would be the
13 applicable rate for AT&T?

14 MR. LOUX: Yes.

15 MR. ANTONIOU: We believe in that case the
16 rate would be the one that is legally effective,
17 whether approved or by process of law in Virginia
18 from a tariff filing.

19 MR. LOUX: Thank you. That's all I have.

20 QUESTIONS FROM STAFF

21 MS. DAILEY: I just have, I think, a few
22 questions on this issue.

1 I had understood that III-18 is also a
2 WorldCom issue; is that correct?

3 MS. KELLEY: That is correct.

4 MS. DAILEY: Okay. I believe there is
5 testimony in the record that, in some instances,
6 tariffs should appropriately be referenced in the
7 Interconnection Agreement, and I guess I'm a little
8 bit confused as to when the parties are agreed that
9 tariffs should be referenced and when they don't
10 think that tariffs should be referenced. What
11 tariffs are appropriately referenced in the
12 agreement, and what tariffs are inappropriately
13 referenced in the agreement?

14 And if we could just go party by party.

15 MR. ANTONIOU: For Verizon, any tariff
16 that might come into effect, going to Mr. Loux's
17 example a moment ago saying a year from now there
18 might be a tariff filing in Virginia, let's say
19 that that tariff filing dealt with 11 UNEs, the
20 contracts say dealt with 10, so there is a
21 provision for a new UNE that there might have been
22 ordered, for example, in the coming year. It would

1 be Verizon's position that with respect to that
2 11th UNE, the one that's not dealt with in the
3 contract, that those tariff provisions would apply.
4 With respect to the other 10 items, the other 10
5 UNES, the provisions that would be in the contract
6 would apply, so the tariff would not apply to the
7 items.

8 MS. DAILEY: You're distinguishing between
9 rates and terms and conditions; correct?

10 MR. ANTONIOU: Yes. Our general statement
11 about rates is that all carriers should be charged
12 the same rates, such that if there is a legally
13 effective rate in the state, and our view would be
14 if there's a tariff filing and that rate goes into
15 effect for a particular UNE, then all carriers
16 would get that rate from the date of effectiveness
17 of that rate, notwithstanding that a year before
18 there may be some different rate in the contract.
19 In our views, that would be the legally effective
20 rate in the state.

21 MS. DAILEY: Could we hear from the other
22 parties.

1 MR. HARTHUN: From WorldCom's point of
2 view, I think the testimony that you were referring
3 to where certain tariffs would be appropriately
4 referenced was meant to deal with--would depend on
5 the specific issues we are talking about. I can't
6 think of any examples offhand, but if there was a
7 particular service that was offered in a tariff, a
8 reference may be appropriate, but that's vastly
9 different than a wholesale reference to tariffs.

10 MS. DAILEY: Okay. Let me ask just a
11 clarification of that. Are you talking about a
12 Verizon tariff? You're not talking about any--a
13 WorldCom tariff?

14 MR. HARTHUN: It could potentially be
15 both, depending on the nature of the service, and
16 again it would depend on the issue that we are
17 talking about here, the service it's trying to be
18 offered. But it could be both.

19 I think largely it would be a Verizon
20 tariff because most of the service purchased under
21 this agreement is a Verizon service, but again it's
22 a narrow service offering and would be a very

1 narrow reference and cite to the tariff. It would
2 not be wholesale incorporation of the tariffs as
3 they apply to network elements, for example.

4 MR. ARGENBRIGHT: I might be able to give
5 a specific example, which would be switched access
6 services. Those terms and conditions for the
7 exchange of that traffic are dealt with in the
8 Interconnection Agreement, but the particular rates
9 associated with that service are appropriately
10 referenced in a tariff. And that would be for both
11 parties.

12 MS. DAILEY: Does AT&T have an answer?

13 MR. CEDERQVIST: Yeah. For AT&T, in any
14 case in which we agree to reference a tariff for
15 rates mutually, of course, you would have the rates
16 in the tariff.

17 And the instance in which Chris Antoniou
18 was discussing where you have 10, let's say--let's
19 call them UNEs addressed in this proceeding, and
20 therefore it's in our contract, and then you have
21 an 11th UNE in the tariff, the difference there
22 would be that for AT&T, those 10 UNEs would be

1 controlled by the agreement for terms, conditions
2 and rates.

3 So, the difference here is that Verizon is
4 saying the rates would not be controlled by the
5 agreement, and ours is that they would.

6 MS. DAILEY: And the rate and the terms
7 and conditions for the 11th UNE would be controlled
8 by Verizon's tariff?

9 MR. CEDERQVIST: It could be controlled by
10 the tariff or it could be controlled by the
11 agreement if we mutually agreed to amend it.
12 That's a possible avenue as well. But if we choose
13 not to do that, we could buy it out of the tariff
14 at the rate in the tariff.

15 MS. DAILEY: Okay. In the Verizon
16 testimony, rebuttal testimony--and I'm not going to
17 have an exhibit number for this--that was filed
18 September 5th, 2001--it's probably beyond this
19 consolidated group of issues--I'm looking at page
20 three.

21 MS. FAGLIONI: It's Verizon Exhibit 28.

22 MS. DAILEY: Line 21 to 23. Can you read

1 that. I think it starts, "Verizon states that a
2 state commission should not expend." Is that
3 there?

4 MR. ANTONIOU: Yes.

5 MS. DAILEY: Could you read me that
6 sentence.

7 MR. ANTONIOU: (Reading) In addition, and
8 consistent with the New York Public Service
9 Commission's recent order in the recent
10 AT&T/Verizon New York, Inc., arbitration cited in
11 the panel's direct testimony, the state commission,
12 as a general rule, should not have to expend
13 precious resources relitigating on a
14 contract-by-contract basis issues that it already
15 has decided in a global proceeding.

16 MS. DAILEY: Okay. My question for you
17 is: What global proceedings are currently pending
18 in Virginia that would pertain here?

19 MR. ANTONIOU: I'm going to take a minute
20 to read through a couple of other sentences to
21 understand the context of your question better.

22 MS. DAILEY: Sure.

1 (Pause.)

2 MR. ANTONIOU: Okay. This is how I would
3 answer it: I think we tried to make clear from the
4 Verizon standpoint, whatever goes into these
5 contracts as far as terms and conditions with
6 respect to UNEs in particular, for the term of the
7 contract those will be the terms and conditions.
8 So, if the Virginia Commission were to approve a
9 UNE tariff, it's not our position that the contract
10 terms would not apply.

11 If the Virginia Commission were to say
12 that these are the terms and one can only purchase
13 out of the tariff, then that would occur pursuant
14 to the terms of the order. But typically that
15 wouldn't be the case; that the tariff would be
16 approved or otherwise go into effect, and if
17 someone wished to purchase out of it, they could.

18 That said, the petitioners with their
19 contracts for the UNE terms could purchase out of
20 the tariff or pursuant to the terms of the
21 contract.

22 All that said, I'm not sure if I have been

1 responsive to your question.

2 MS. DAILEY: No. My question was: What
3 global proceedings are currently pending in
4 Virginia that would affect this? You're citing to
5 the New York--to the New York situation, and
6 without trying to testify myself, my understanding
7 is there is quite a bit of action in New York that
8 would pertain to multiple carriers outside of the
9 Interconnection Agreement, New York collaborative
10 process.

11 My question is: Is there something like
12 that that is going on in the State of Virginia? Is
13 that what you're testifying about? When you refer
14 to the New York proceedings, are you talking about
15 the collaborative kind of efforts?

16 MR. DALY: The testimony you're referring
17 to is referring to the recent arbitration decision
18 between AT&T and Verizon in New York, wherein that
19 decision the New York Commission cited, in
20 resolving this issue, that it's consistent with
21 their practice that once a tariff has been--once a
22 global proceeding such as a tariff proceeding has

1 been completed, that those terms and conditions
2 would apply.

3 MS. DAILEY: Are there global
4 proceedings--

5 MR. DALY: The response in answer to your
6 question, right now I'm not aware of any global
7 proceedings, with "global proceedings" being
8 defined as a rate proceeding outside of this
9 arbitration or a proceeding dealing with an
10 introduction of a new tariff such as a UNE tariff
11 or a resale tariff.

12 MS. DAILEY: Thank you.

13 I do need to also understand, and I
14 apologize, maybe this issue has been resolved in
15 light of the late-breaking news about issue VII-23
16 to 25, but is it the parties' position that with
17 respect to tariffs that are appropriately
18 referenced in the agreement that get amended
19 subsequently, so let's say the parties have agreed
20 to reference a particular tariff in the agreement.
21 Is it the parties' position that the current tariff
22 that is in the state of the art at the time the

1 Interconnection Agreement is approved will govern
2 through the end of the Interconnection Agreement
3 through the termination of the Interconnection
4 Agreement, or in that situation if an appropriately
5 referenced and agreed-to tariff is referenced in
6 the agreement that amendments to the tariff would
7 apply to the agreement? That was kind of a
8 complicated question.

9 MR. FIRSCHEIN: I believe that issue was
10 raised in VI-1(R), and I don't know the panel up
11 here right now is prepared to testify on that
12 issue, if you want to answer that now or save it
13 for later.

14 MR. ANTONIOU: For Verizon we could answer
15 our view, and that is not only tariffs, but
16 statutes, regulations, references--it is whatever
17 is in effect from time to time as amended. We
18 would not look to freeze a document that provides
19 guidance or otherwise governs a relationship at
20 some point in time, say, the day of the
21 effectiveness of the contract. Rather, it's a
22 fluid process, whatever it might be from time to

1 time in effect.

2 MR. DALY: To follow up on that response,
3 there is another part to the contract that talks
4 about how--what's the governing document in the
5 case of a conflict? So, say, for instance, in the
6 tariff with substantive terms and conditions for
7 UNEs and they potentially conflict or maybe they
8 conflict with the terms and conditions in the
9 contract, the order of precedence set forth in the
10 contract says that the contract is the controlling
11 document.

12 MS. DAILEY: I'm not sure I understood
13 that question--I mean, that answer. My question
14 had to do with tariffs that are referenced in the
15 contract which I--I'm trying to figure out whether
16 the petitioners view these as a static document
17 that's in place at the end at the time that the
18 Interconnection Agreement is executed, or does the
19 concept of incorporating a tariff include the
20 concept that the tariff will be modified?

21 MR. DALY: It includes the concept that
22 the tariff would be modified.

1 MR. ARGENBRIGHT: I would go back to my
2 earlier example of mutually agreed-to tariff such
3 as switch accessed tariff, and that would be fluid
4 with--changes in that tariff would be--to the
5 extent we agreed to reference out to it, it would
6 change what changes in the tariff.

7 MR. CEDERQVIST: From AT&T's perspective,
8 we specifically state in the contract what we mean,
9 and it is normal practice for us to agree--when we
10 are referencing tariffs we use the word "blank
11 tariff, as amended," from time to time. We use
12 those words, so we make it explicit rather than
13 subject to guess.

14 MS. DAILEY: Okay.

15 MR. ANTONIOU: And I believe in the
16 Verizon version of the contract, there is a clause
17 that makes clear not only for tariffs, but again
18 for all the other various documents in the
19 agreement, that it is as those documents are
20 amended and in effect so one doesn't have to for
21 each document make the statement as amended in
22 effect.

1 MS. DAILEY: I have a question about issue
2 IV-32 about Verizon's direct testimony filed
3 August 17th, page 12.

4 MS. FAGLIONI: That would be mediation
5 issues.

6 MS. DAILEY: This would be a mediation
7 issue.

8 MS. FAGLIONI: Direct testimony, Verizon
9 Exhibit 11.

10 MS. DAILEY: There was testimony--the
11 quote I have, I believe, is that the FCC or
12 Virginia Commission could recognize Verizon's right
13 to recover costs outside the rates contemplated in
14 the agreement.

15 Do you see that testimony?

16 MR. ANTONIOU: Yes, we do.

17 MS. DAILEY: Could you read the sentence
18 for me. I'm sorry, I don't have it all here.

19 MR. ANTONIOU: (Reading) To the extent
20 that this Commission or the Virginia Commission
21 recognizes Verizon Virginia's right to recover
22 costs outside the rates contemplated in this

1 Interconnection Agreement, Verizon Virginia should
2 not be required to contractually bargain away such
3 a right.

4 MS. DAILEY: Could you tell me what kind
5 of costs would be appropriate for recovery outside
6 the rates contemplated in this agreement?

7 MR. ANTONIOU: Sure. An example would be
8 where there might be some third-party licensing
9 right that pursuant to a court decision last year
10 or so, ILECs are required to expend best efforts to
11 obtain, and they, in fact, do expend such efforts
12 on behalf of CLEC or CLECs. And in order to obtain
13 those additional rights on behalf of the CLEC they
14 didn't have before, the ILEC expended a certain
15 amount of money, say a million dollars, and the
16 ILEC would typically--it hasn't happened yet that
17 I'm aware of, but in that case the ILEC would go to
18 the Commission and say this is what we had to spend
19 in order to exercise our best efforts, and we
20 believe there should be a means by which we could
21 obtain recompense for what we expended, so that's
22 an example.

1 MS. DAILEY: Okay. I would like to have
2 some response from the other parties as to whether
3 or not that would be an appropriate instance for
4 cost recovery.

5 MR. ARGENBRIGHT: I'm not familiar with
6 the specific example that was given, but the
7 concern we got or the position is we would like the
8 rates in the agreement to be those rates, and the
9 ability to unilaterally level other charges, levy
10 other charges, is what we want to prohibit.

11 Now, we do have language, I believe,
12 elsewhere in the agreement that upon a state order
13 that addresses--impacts our agreement, then perhaps
14 those charges would be appropriate, but it's
15 the--it is Verizon deciding they have incurred some
16 costs that were not addressed when the pricing was
17 set in the agreement originally.

18 Did that help?

19 MS. DAILEY: Yeah. I guess my other
20 question would be: Is this something that has
21 happened in the past? I mean, is this a concern
22 that has occurred? Is this based on a problem